



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 27, 2013

Certified Return Receipt Requested  
7010 2780 0002 7254 1224

Greg Kofford  
Amnor Energy  
P. O. Box 1362  
Draper, Utah 84020-1362

Subject: Division Directive to Provide Adequate Surety or Reclaim, Amnor Energy, Coyote Knoll Mine, S/023/0086, Juab County, Utah

Dear Mr. Kofford:

Thank you for meeting with Wayne Western and me to discuss the status of the Coyote Knoll mine and the reclamation surety. I apologize for the delay in writing to confirm the agreements we made.

1. You will make monthly payments of \$5000.00 toward the reclamation surety with the first payment to be submitted September 30, 2013.
2. By September 30, 2013, you will submit an amendment increasing the size of the permitted disturbed area to 10 acres.
3. Barrels, buckets, and trash were to be removed by September 5, 2013.
4. By December 2, 2013, you will reclaim a portion of the disturbed area so that the remaining disturbed area is no more than 10 acres. A map showing the reclaimed areas needs to be submitted by December 16, 2013.

You are directed to complete these actions as detailed, and failure to do so could result in enforcement action with associated fines. As these deadlines approach, please notify the Division if there will be delay in meeting them.

The Division has re-calculated the reclamation surety, and the total amount needed is \$64,400.00 for a five-year escalation as detailed below.



<b>Small Mine Operation Bond Calculation Worksheet S/023/0086 5-year escalation (2018)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
6th Acre Disturbance	1	\$42,000.00	\$42,000.00
Additional Acres Disturbance	4	\$5,600.00	\$22,400.00
Revegetation of regraded areas	2	\$2,000.00	\$4,000.00
Well reclamation	1	\$10,000.00	\$10,000.00
<b>TOTAL</b>			<b>\$64,400.00</b>

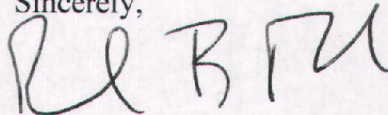
This amount assumes reclamation has been completed to bring the disturbed area to 10 acres or less. The Division would continue to hold \$1000.00 per acre to ensure revegetation of regraded areas.

Please note that the Bureau of Land Management has not reviewed this amount, and the surety amount may need to be changed as a result of their review.

Enclosed with this letter is a payment schedule. Please sign and return this schedule after which a Division representative will sign it. A copy of the signed document will be returned to you.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Wayne Western at 538-5263. Thank you for your help in completing this very important regulatory requirement.

Sincerely,



Paul B. Baker  
Minerals Program Manager

PBB: whw: eb

cc: Duane Bays, BLM

P:\GROUPS\MINERALS\WP\M023-Juab\S0230086-CoyoteKnoll\final\DRCT-09172013.doc



## Payment Schedule for Amnor Energy Inc.

S/023/0086

September 26, 2013

**Table X**

Authorized Signature and Date Payment Received	Number	Due Date (by)	Payment Amount	Additional Pmt.	Total Received
	1	September 30, 2013	\$5,000.00		\$
	2	October 31, 2013	\$5,000.00		\$
	3	November 29, 2013	\$5,000.00		\$
	4	December 31, 2013	\$5,000.00		\$
	5	January 31, 2014	\$5,000.00		\$
	6	February 28, 2014	\$3,300.00		\$
					\$
					\$
				\$	\$
				\$	\$

**Total amount required: \$28,300.00**



**Total amount required: \$38,300.00**

I agree to the amounts identified in this payment schedule as shown on Table X and will abide by the payment criteria. I understand all mine sites must be adequately bonded.

Operator \_\_\_\_\_  
Signature

Date \_\_\_\_\_

Agreed and Approved by Division:

Division Director \_\_\_\_\_  
Signature

Date \_\_\_\_\_